

FISCAL NOTE
SB 288 - HB 550

March 20, 2003

SUMMARY OF BILL: Requires Pellissippi State Community College to offer a nursing program.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$210,500 One-Time FY03-04
\$203,200 Recurring FY03-04
\$425,600 Recurring FY04-05 and Thereafter

Increase State Revenues - \$59,520 FY04-05 and Thereafter

Initial start-up costs of \$413,700 will consist of the following:

- Director of Nursing @ \$69,800
 - Administrative support staff @ \$28,000
 - Operating costs @ \$9,000
 - Equipment @ \$125,000 one-time
 - Additional Library Resources @ \$50,000 one-time
 - Computer software for use in general computer labs to support nursing students @ \$25,000 one-time
 - Initial accreditation site visit and associated costs @\$10,500 one-time (required before students can begin taking classes)
 - Salary for four full-time faculty for the 2nd half of the start-up year @ \$96,400
- This estimate assumes there are no students in the program during the first year.

Estimate assumes:

- Recurring and additional one-time equipment expenses for the nursing program will depend on the number of students in the program.
- Accreditation requirements place the student/faculty ratio at 8 students per instructor (minimum of four full-time faculty is required for accreditation) with an estimated faculty salary cost of approximately \$6,565 per student or \$262,600 for a class of 40 students. This assumes that the program director will also teach for a faculty total of five.
- Operating costs for similar programs are estimated at \$400 per student, resulting in a \$16,000 requirement for the 40 students.
- Clinical adjunct faculty (5 instructors) will be required to support the program on a one adjunct to one faculty ratio at an estimated cost of \$110,000.
- The four full-time faculty members will not begin until the 2nd half of the start-up year.
- Revenue generated by the program is estimated to be \$59,520 in student tuition and fees and will begin in the 2nd program year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director